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INTELLIGENCE COMMUNITY STAFF

Delivered 7/11/86
RDR

10 July 1986

NOTE FOR: Messrs. John G. Plashal and
Robert V. Davis, Staff Members
Committee on Appropriations
Subcommittee on Defense
U.S. House of Representatives

FROM: Director, Program and Budget Staff

SUBJECT: CIA Questions for the Record

Attached are five questions for the record which
you provided separately to CIA, but which apply more
properly to the IC Staff. (U)

Attachment:
Responses to QFRs

INFORMATION
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ICS/PBS/ED/ [redacted] 10 July 86)

Distribution: All w/att.
Orig. - HAC (Plashal & Davis)
1 - ICS/LL
1 - PBS Subject (HAC File)
1 - PBS/ED/ [redacted]
1 - PBS Chrono

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HAC QUESTIONS

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QUESTION AREA: The Director of Central Intelligence (DCI) is responsible for preparing and presenting the National Foreign Intelligence Program (NFIP) budget. The Program Budget Staff of the Intelligence Community Staff (ICS) assists in this task. The currently operative Executive Order 12333 specifically states that the DCI shall "monitor National Foreign Intelligence Program implementation and, as necessary, conduct program and performance audits and evaluations." Yet, there are no centralized audit activities, in the classical sense of audit, including performance evaluations, at the ICS level which encompass the NFIP.

QUESTION 1. Since the DCI has the responsibility for the NFIP implementation shouldn't there be some Community-wide audit activity that ensures that the NFIP is being implemented economically, efficiently, and effectively?
(U)

ANSWER. Primary responsibility for the proper implementation of the budgets which comprise the NFIP resides by law with the heads of the departments and agencies to which funds are appropriated. Thus, fiscal audits in the classical sense are their responsibility. This function is carried out regularly and responsibly by the NFIP elements and/or their parent agencies, and we do not believe that it is "necessary" to have a centralized audit activity. The Intelligence Community Staff does carry out regular evaluations of NFIP programs, budgets and performance. (U)

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QUESTION AREA: Audit of NFIP Activities

QUESTION 2. Does the DCI rely entirely on the audit activities of the various individual intelligence agencies? (U)

ANSWER. For fiscal audits, yes. However, various elements of the Intelligence Community Staff conduct regular reviews of NFIP agency programs, budgets and activities. For example, the Program and Budget Staff conducts three formal reviews annually of each NFIP component budget. Also, the Critical Intelligence Problems Committee reviews agency performance against the intelligence issues it is attempting to resolve. As a final example, the SIGINT and HUMINT Committees and the COMIREX are constantly evaluating the performance of the agencies in their areas of concern. We are confident that the NFIP gets a very thorough examination both by its component members and the IC Staff. (U)

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QUESTION 3. Are there officials at the ICS who are specifically tasked to monitor and/or coordinate the audit activities of the various Intelligence Community components?

ANSWER. See answer to Question 2. The IC Staff has personnel responsible for assessing agency performance and evaluating agency programs and budgets. It does not monitor fiscal audits. (U)

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QUESTION 4. If the DCI relies on the audit activities of the various intelligence agencies, how does the DCI ensure that those programs which include the participation of several different intelligence agencies, particularly those having a civilian/military mix, are adequately audited and evaluated? (U)

ANSWER: Agency programs, budgets and performance are evaluated internally, by parent agencies, and by the IC Staff. Fiscal audits are the legal responsibility of the agency to which monies are appropriated. We believe that the NFIP is adequately audited and evaluated. (U)

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QUESTION 5. The DoD has a position, Assistant to the Secretary of Defense (Intelligence Oversight), which provides the Secretary of Defense with an independent review and evaluation of the various DoD component inspection and audit activities. Wouldn't it be a good idea to establish a similar type position at ICS to oversee and coordinate the audit activities throughout the Intelligence Community? (U)

ANSWER. The DCI's position vis-a-vis the NFIP is in no way analagous to the Secretary of Defense's vis-a-vis the Department of Defense. As described in previous answers, the IC Staff does conduct on the DCI's behalf evaluations of NFIP programs, budgets, and performance. This is appropriate to the DCI's role. We believe that it would be inappropriate for the IC Staff to establish a position such as you describe, which would involve it in fiscal matters which are the responsibility of the departments and agencies to which funds are appropriated. (U)

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